



Foundation Certificate in Marketing - Stage 2

INTERNATIONAL BUSINESS

FRIDAY, AUGUST 18, 2006. TIME: 9.30 am - 12.30 pm

Please attempt **FIVE** questions.

(If more than the specified number of questions are attempted, delete those you do not wish to have marked. Otherwise the Examiner will mark the **FIRST** five questions in your Answer Book).

All questions carry equal marks.

Do **NOT** repeat question in answer, but show clearly the number of the question attempted on the appropriate page of the Answer Book.

1. With reference to current and recent world events:
 - (a) Outline the main elements of political risk (8 marks)
 - (b) Explain how political risk may impact a nation's competitiveness. (6 marks)
 - (c) Describe strategies for combating political risk. (6 marks)
2. List the main Irish state agencies responsible for helping Irish companies to develop their export markets. Describe the main functions of such agencies, giving examples to illustrate your answer.
3. Describe the key drivers of globalisation.
4. Write a note on any **three** of the following:
 - (a) FDI
 - (b) Comparative Advantage
 - (c) The WTO
 - (d) Trade Mission
 - (e) The European Parliament
5. "The rapid spread of regional trade agreements designed to promote free trade raises the fear among some of a world, in which a number of regional trade blocs compete against each other." (Hill, 2003)
Outline the main arguments for regional integration. Give examples of successful and unsuccessful attempts at regional integration.

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6.
 - (a) Describe the differences between a fixed and flexible/floating exchange rate system. (12 marks)
 - (b) Explain how exchange rates can impact the activities of companies. (8 marks)
7. Outline the reasons why Irish companies may consider exporting.
8. List the main components of culture and describe how they may impact on the firm in international business.